Exhibit 300 (BY2008)

PART ONE	
OVERVIEW	
1. Date of Submission:	2006-11-07
2. Agency:	015
3. Bureau:	45
4. Investment Name:	Examination Desktop Support System (EDSS) - Release 2 - Major
5. UPI:	015-45-01-14-01-2466-00

6. What kind of investment will this be in FY2008?

Acquisition

7. What was the first budget year this investment was submitted to OMB?

FY2008

8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.

Examination Desktop Support System (EDSS) is a modernized system that will serve the IRS Small Business/Self Employed (SB/SE) division's tax return field examiners. It will support the current examination process, which was reengineered three years ago, and deliver new features and functionality. This is not a new investment. IRS Capital Planning and Investment Control (CPIC) approved Tier B/ Development/Modernization/Enhancement (DME) Non-Major funding for EDSS from FY03 to FY07. In March 2006, EDSS was selected as a Major DME for FY08. EDSS requires funding in FY08 to complete acquisition and begin maintenance of an in-flight IT investment project.Funds will be used to fully deploy Release 2, implement Releases 3 and 4, and begin maintenance. SB/SE serves 45M taxpayers that pay $915B in taxes annually. Its customers include fully or partially self-employed individuals and corporations and partnerships with assets up to $10M. SB/SE taxpayers file a variety of tax returns including individual and business income tax returns, employment, excise, estate and gift, and trust returns. SB/SE is critically dependent on an outdated system called Reports Generation System (RGS), developed nearly 20 years ago, that hinders the business' agility to comply with frequent legislative changes to tax codes. Its design complicates maintenance activities and does not promote the reuse of assets. Its electronically-supported processes are manually intensive and prone to error, preventing more than 6,000 tax return examiners from focusing on activities that add true value to the business and from delivering timely, high-quality services to taxpayers. EDSS' flexible, integrated, and centralized software architecture will: improve the business' ability to adapt to constantly changing business processes and tax codes; eliminate duplicate costs to acquire common capabilities through shareable software components; automate manually-intensive processes; digitize paper-dependent processes; improve exam quality; increase employee productivity and satisfaction; increase customer satisfaction; and reduce system maintenance costs. The impact of not fully funding the EDSS investment request would curtail full deployment of Release 2 EDSS/1040 and implementation of Release 3 1065, 1041, and 1120S and Release 4 1120. Tax return examiners would be forced to use two systems in order to perform exam functions thereby impacting productivity and SB/SE's ability to meet its field exam plan.

9. Did the Agency's Executive/Investment Committee approve this request?

yes

9.a. If "yes," what was the date of this approval?

2006-08-09

10. Did the Project Manager review this Exhibit?

yes

11. Project Manager Name:

Stansbury, Janet

Project Manager Phone:

202-283-5927

Project Manager Email:

janet.l.stansbury@irs.gov

12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.

no
12.a. Will this investment include electronic assets (including computers)?
yes
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)
no
13. Does this investment support one of the PMA initiatives?
yes
If yes, select the initiatives that apply:
Expanded E-Government
Human Capital
13.a. Briefly describe how this asset directly supports the identified initiative(s)?
The Examination Desktop Support System (EDSS) will provide enhanced knowledge management features such as learning tools, libraries, and on-line research capabilities. It will receive electronic returns filed by taxpayers electronically and provide a reusable tax computation service.
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?
no
15. Is this investment for information technology (See section 53 for definition)?
yes
16. What is the level of the IT Project (per CIO Council's PM Guidance)?
Level 1
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)
(2) Project manager qualification is under review for this investment
18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?
yes
19. Is this a financial management system?
no
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)

Hardware	0
Software	13
Services	37
Other	50

21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?
no
22. Contact information of individual responsible for privacy related questions.
Name
Francis Countiss
Phone Number
202-283-2672
Title
Senior Policy Analyst
Email
francis.j.countiss@irs.gov
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's

approval?

yes

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY
	-2005	2006	2007
Planning Budgetary Resources	5.463	2.998	0.000
Acquisition Budgetary Resources	2.218	3.390	4.760
Maintenance Budgetary Resources	0.000	0.000	0.000
Government FTE Cost	0.000	0.603	0.074
# of FTEs	0	9	1

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

	Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2007	Mission and Business Results	System Maintenance			The system will not be operational until FY08; therefore, there are no improvements for this measurement category	

2	2007	Customer Results	Customer Satisfaction			The system will not be operational until FY08; therefore, there are no improvements for this measurement category	
3	2007	Processes and Activities	Cycle Time			The system will not be operational until FY08; therefore, there are no improvements for this measurement category	
4	2007	Technology	Overall Costs			The system will not be operational until FY08; therefore, there are no improvements for this measurement category	

EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

This investment will be identified as Examination Desktop Support System (EDSS) in the next release of Treasury Enterprise Architecture(EA) Transition Strategy. It has passed the SELECT process and is submitting initial architecture information via this Exhibit 300.

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to http://www.whitehouse.gov/omb/egov/.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Case Management	Manages the lifecycle of cases for taxpayer examinations. Maintains all information about the case including support documentation.	Tracking and Workflow	Case Management			No Reuse	26
2	Mathematical	Calculation rules engine which performs basic mathematical calculations. Rules in the database perform complete tax return calculations.	Analysis and Statistics	Mathematical			No Reuse	47
3	Tax Account Management Business Logic	Manages the lifecycle of cases/issues or data for taxpayer examinations/collections/appeals/litigation/criminal investigation	Data Management	Data Exchange			No Reuse	26

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Case Management	Service Access and Delivery	Access Channels	Other Electronic Channels	MS C Sharp (C#)
2	Case Management	Service Access and Delivery	Delivery Channels	Intranet	Internal Revenue Service (IRS) Local Area Network (LAN)
3	Case Management	Service Access and Delivery	Service Requirements	Legislative / Compliance	Section 508 Security Controls
4	Case Management	Service Access and Delivery	Service Transport	Service Transport	HTTP Secure (HTTPS)/ Secure Sockets Layer (SSL)
5	Case Management	Service Platform and Infrastructure	Support Platforms	Platform Dependent	MS Windows XP
6	Case Management	Service Platform and Infrastructure	Delivery Servers	Application Servers	Win64
7	Case Management	Service Platform and Infrastructure	Software Engineering	Integrated Development Environment	Visual Studio .NET
8	Case Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Rational Suite
9	Case Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Rational Suite
10	Case Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Rational Suite
11	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Deployment Management
12	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Requirements Management
13	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Functional Testing
14	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Usability Testing
15	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Performance Profiling
16	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Load/Stress/Volume Testing
17	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Security Access Control
18	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Reality Testing
19	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Configuration Testing
20	Case	Service Platform and	Software	Test Management	Installation Testing

	Management	Infrastructure	Engineering		
21	Case Management	Service Platform and Infrastructure	Database / Storage	Database	Microsoft SQL Server
22	Case Management	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	Enterprise Server
23	Case Management	Service Platform and Infrastructure	Hardware / Infrastructure	Embedded Technology Devices	RAM
24	Case Management	Service Platform and Infrastructure	Hardware / Infrastructure	Embedded Technology Devices	Hard Disk Drive
25	Case Management	Service Platform and Infrastructure	Hardware / Infrastructure	Embedded Technology Devices	Microprocessor
26	Case Management	Service Platform and Infrastructure	Hardware / Infrastructure	Peripherals	Printer
27	Case Management	Service Platform and Infrastructure	Hardware / Infrastructure	Local Area Network (LAN)	Ethernet
28	Case Management	Service Platform and Infrastructure	Hardware / Infrastructure	Wide Area Network (WAN)	Ethernet
29	Case Management	Service Platform and Infrastructure	Hardware / Infrastructure	Network Devices / Standards	Hub
30	Case Management	Service Platform and Infrastructure	Hardware / Infrastructure	Network Devices / Standards	Switch
31	Case Management	Service Platform and Infrastructure	Hardware / Infrastructure	Network Devices / Standards	Router
32	Case Management	Service Platform and Infrastructure	Hardware / Infrastructure	Network Devices / Standards	Firewall
33	Case Management	Component Framework	Security	Certificates / Digital Signatures	HTTP Secure (HTTPS)/ Secure Sockets Layer (SSL)
34	Case Management	Component Framework	Presentation / Interface	Dynamic Server-Side Display	C Sharp (C#)
35	Case Management	Service Platform and Infrastructure	Support Platforms	Platform Independent	C Sharp (C#)
36	Data Exchange	Component Framework	Data Interchange	Data Exchange	Extensible Markup Language (XML)
37	Case Management	Service Interface and Integration	Interoperability	Data Format / Classification	Extensible Markup Language (XML)
38	Case Management	Service Interface and Integration	Interoperability	Data Types / Validation	Extensible Markup Language (XML) Schema
39	Case Management	Service Interface and Integration	Interface	Service Description / Interface	Application Program(ming) Interface (API)/Protocol
40	Mathematical	Service Access and Delivery	Service Transport	Service Transport	HTTP Secure (HTTPS)/ Secure Sockets Layer (SSL)
41	Mathematical	Service Platform and Infrastructure	Support Platforms	Platform Dependent	MicroSoft (MS) Windows XP
42	Mathematical	Service Platform and Infrastructure	Delivery Servers	Application Servers	Win64
43	Mathematical	Service Platform and Infrastructure	Software Engineering	Integrated Development Environment	Visual Studio .NET
44	Mathematical	Service Platform and Infrastructure	Database / Storage	Database	MicroSoft (MS) SQL Server

45	Mathematical	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	Enterprise Server
46	Mathematical	Service Platform and Infrastructure	Hardware / Infrastructure	Embedded Technology Devices	RAM
47	Mathematical	Service Platform and Infrastructure	Hardware / Infrastructure	Embedded Technology Devices	Hard Disk Drive
48	Mathematical	Service Platform and Infrastructure	Hardware / Infrastructure	Embedded Technology Devices	Microprocessor
49	Mathematical	Component Framework	Presentation / Interface	Dynamic Server-Side Display	C Sharp (C#)
50	Mathematical	Service Platform and Infrastructure	Support Platforms	Platform Independent	C Sharp (C#)
51	Data Exchange	Component Framework	Data Interchange	Data Exchange	Extensible Markup Language (XML)
52	Mathematical	Service Interface and Integration	Interoperability	Data Format / Classification	Extensible Markup Language (XML)
53	Case Management	Service Interface and Integration	Interoperability	Data Types / Validation	Extensible Markup Language (XML) Schema
54	Case Management	Service Interface and Integration	Interface	Service Description / Interface	Application Program(ming) Interface (API)/Protocol
55	Case Management	Service Access and Delivery	Access Channels	Other Electronic Channels	MicroSoft C Sharp (C#)
56	Case Management	Service Access and Delivery	Delivery Channels	Intranet	Internal Revenue Service (IRS) Local Area Network (LAN)
57	Case Management	Service Access and Delivery	Service Requirements	Legislative / Compliance	Section 508 Security Controls
58	Case Management	Service Access and Delivery	Service Transport	Service Transport	HTTP Secure (HTTPS)/ Secure Sockets Layer (SSL)
59	Case Management	Service Platform and Infrastructure	Support Platforms	Platform Dependent	MicroSoft (MS) Windows XP
60	Case Management	Service Platform and Infrastructure	Delivery Servers	Application Servers	Win64

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

5.a. If yes, please describe.

No.

6. Does this investment provide the public with access to a government automated information system?

no

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2006-07-11

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)

Schedule - The Examination Desktop Support System (EDSS) project team incorporates identified risks into the project schedule. This is accomplished by identifying risks, developing a mitigation strategy, and identifying the event trigger and likely date of occurrence. The risk inventory is then updated with this assessment data, which acts as an input into developing/updating the project schedule such as activity estimates and Work Breakdown Structure (WBS) with the expected date that the risk will occur. Life-cycle Costs - Per guidance from the Federal Chief Information Officer (CIO) council's Value Measuring Methodology (VMM), the EDSS project team risk-adjusted costs by defining a qualitative and quantitative risk scale for impact and probability, assessing the qualitative and quantitative impact and probability for each risk, calculating risk-adjustment factors by multiplying each risk's impact and probability, and applying those factors to selected cost elements to adjust the expected value to account for risk. Currently, due to lack of funding, the project will not be allocated additional dollars to set up a managerial contingency reserve that accounts for these risk-adjusted costs.

COST & SCHEDULE

Does the earned value management system meet the criteria in ANSI/EIA Standard 748?

no

2.a. What is the Planned Value (PV)?

1.946

2.b. What is the Earned Value (EV)?

1.406

2.c. What is the actual cost of work performed (AC)?

1.429

What costs are included in the reported Cost/Schedule Performance information?

Contractor and Government

2.e. As of date:

2006-06-28

3. What is the calculated Schedule Performance Index (SPI= EV/PV)?

0.72

4. What is the schedule variance (SV = EV-PV)?

-0.541

5. What is the calculated Cost Performance Index (CPI = EV/AC)?

0.98

6. What is the cost variance (CV = EV-AC)?

-0.024

7. Is the CV or SV greater than 10%?

yes

7.a. If yes, was it the CV or SV or both?

SV

7.b. If yes, explain the variance.

The Examination Desktop Support System (EDSS) investment was a Non-Major raised to Major status. It will follow the Enterprise Lifecycle (ELC) Lite or ELC Tailored methodology. As Major investment, compliance with Treasury's Earned Value Management (EVM) policy is required beginning in FY2007.

7.c. If yes, what corrective actions are being taken?

The appropriate staff who possess the necessary knowledge and skill sets have been hired to assist in getting the project back on track. In addition, a Baseline Change Requests (BCR) will be taking place and hopefully will be completed no later than February 9, 2006.

7.d. What is most current Estimate at Completion?

16.325
8. Have any significant changes been made to the baseline during the past fiscal year?
no